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THE WHITE HOUSE
WASHINGTON

December 5, 1960

MEMORANDUM OF MEETING WITH THE PRESIDENT
(Tuesday, November 29, 1960 at 11:00 a.m.)

PRESENT: Secretary Anderson, Secretary Gates, Secretary Dillon
Secretary Merchant, Secretary Douglas, General Lemnitzer,
Mr. Allen Dulles, Mr. Richard Bissell, General Persons,
General Goodpaster and Gordon Gray

The President opened the meeting by saying that he wished to talk about the situation in Cuba and particularly a visit he had had earlier in the day from Mr. William D. Pawley. The President said that as everyone knew Mr. Pawley had had substantial interests in Central and South America over many years and was knowledgeable about the area. He said that Mr. Pawley had told him that he had divested himself of all his investments in the area and therefore had no financial interests which could benefit from his activities. He acknowledged that Mr. Pawley was a zealot but at the same time said that in the many years he had known Mr. Pawley he had not found him wrong in the various predictions and reports which Mr. Pawley had made to him.

The President said that Mr. Pawley was concerned about four things which the President wished to discuss in the meeting. (1) Mr. Pawley felt that the effort in training of the people in Guatemala was too slow and that at the present time we were really going backwards. He felt that the 500 now in training ought to be increased to at least 2,000. (2) While there had been success in getting rid of one of the Communists in the FRD there is still another remaining. Mr. Pawley however thinks Varona is a good citizen. He also made reference to a young member of the FRD who is going around various South American countries who he thinks is very good. However, he has a poor opinion of some of the other members of the FRD and repeated that he thought one was worse than Castro. (3) Mr. Pawley had heard some idea of moving out of Guatemala to Okinawa. Mr. Pawley took a dim view of this proposal and the President agreed on the ground that nothing could be kept secret in Okinawa. (Mr. Dulles interposed to say that there had been consideration of moving some of the trainees not to Okinawa but to a well-protected and secret installation on Saipan.) (4) Mr. Pawley knew that the President had a committee on Cuba but was concerned that they were a group of very busy people who could not devote the necessary time and

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continuity to the Cuba problem. Mr. Pawley thinks the committee should have a strong Executive and the President suspected Mr. Pawley himself would like this responsibility. In any event, the President wondered if Mr. Pawley was not right in feeling that there needed to be some one individual who would have the situation always at his finger tips and also could take an active part in talking with members of the FRD and perhaps with other governments.

The President expressed his unhappiness about the general situation. He said that it was strange that he used to think of Betancourt as a leftist and now he was beginning to look like a rightist in relation to the pro-Castro, pro-Communist attacks against him. Also, it was clear that Castro influences had been involved in the El Salvador situation. The President wondered whether the situation did not have the appearance of beginning to get out of hand.

He then quoted Mr. Pawley as saying that the young member of the FRD who went around to talk to various governments found that some, particularly the Frondizi government, said that they would put money, men and equipment into the effort on a clandestine basis, whereas open activity of this sort through the OAS would not be possible.

The President then said he wished to ask two questions: (1) Are we being sufficiently imaginative and bold, subject to not letting our hand appear; and (2) are we doing the things we are doing, effectively.

The President adverted to the impending transfer of government responsibilities and said that we would not want to be in the position of turning over the government in the midst of a developing emergency.

Mr. Dulles responded that he did not always agree with Mr. Pawley. He said that the CIA had not wanted to use entirely a rightist group for our purposes and at times Mr. Pawley seemed to have a different view. Mr. Dulles pointed out that there had been at one time or another 184 different groups and that CIA felt the FRD under Varona was the most effective one. He said that they were also working with several groups who were against the FRD but who have important and valuable assets in Cuba. The President asked how might we proceed to bring them all together and Mr. Dulles responded that this was impossible. The President then observed that he did not think we should be financing those we cannot get to work in harness. Mr. Dulles said we would find it necessary to continue to finance some of the present assets in Cuba notwithstanding.

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Mr. Dulles pointed out that there were some 500 guerrilla trainees in Guatemala and a separate air force group which was very effective. He said that this was now a going operation and the plan is to take some out in groups of 75 to infiltrate primarily for contact and communications, although of course they would also be fighting men. As for the size of the effort it was felt that we could go up to 600 but above that there would be need for another facility.

Mr. Dulles said that his view was that we should not eliminate the operation in Guatemala but should stiffen the government of Guatemala. He suggested sending military trainees and also some planes. He said that it was clear to him that Ydigoras does not want us to leave Guatemala but the State Department has had a concern about staying there.

Mr. Dillon said the State concern was the operation was no longer secret but is known all over Latin America and has been discussed in U.N. circles. The President said that even if the operation were known, the main thing was not to let the U.S. 'hand show. As long as we pursued that course he was not too concerned.

He said that if we take out 300 infiltraters and then begin to replace them with recruits already available we could build up again to a battalion size.

Mr. Dillon then said that the State Department had begun to think along the same lines as Mr. Pawley, with respect to the number of men needed and that State felt perhaps we should have two or three thousand.

Mr. Gates interposed to ask whether we could now recognize a government in exile. In that event the problems of training would not be so great. The President did not feel this is now possible.

Mr. Bissell said that it had been concluded that we could not train in the U.S. with any hope of security and the President agreed. (This appears to be a Presidential decision which settles a question discussed several times in the 5412 group.)

Mr. Douglas said he wished to clear up one question. In the event that it became necessary to evacuate from Guatemala by reason of an OAS investigation or for some other purpose transportation would be a problem. His question was whether Defense could assume that it would not be called upon on a crash basis. Mr. Dulles replied that he had evacuation plans prepared.

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Mr. Dillon then said he would like the opportunity to explain that we had not given up on the idea of some action in the OAS under the Rio Treaty. He said that we had been canvassing the ambassadors here in small groups and have talked with them all more than once. Our objective would be first to bring about an investigation of Cuba through an organ of consultation; second, there would be a report showing what Cuba is doing in seeking to export its revolution, the denial of liberties, etc., and third, a meeting of the foreign ministers in February or March in which it would be hoped that all would agree to: (1) break diplomatic relations and throw out the Cuban embassies; (2) shut off commercial relations thus permitting us to invoke Trading with the Enemy Act; (3) undertake some military action to seal off Cuba and the export of arms; (4) devise some method of controlling all Communist agents in addition to those of Castro. He said there were both encouraging and discouraging aspects. On the plus side, the Central American countries generally agree and the South American countries are less positively excited about it but demonstrate some readiness. On the minus side are three important factors: (1) the impending transfer of government responsibilities in this country. The leaders wish to make sure that the new government would not pull the rug out from such an effort. This means that there must be some effort to get the new administration effectively tuned in to the undertaking. (2) There is likewise a transition or a transfer of responsibilities yet to take place in Brazil. Therefore the Brazilian voice is not yet heard and it is not known what Quadros, who takes office January 1, will do. (3) In any event, there will be outright opposition from Mexico. Mr. Dillon said he knew of no other country which would be so opposed.

The President then said the big gap which we face involves a better public opinion in the Central and Latin American countries as to what is going on. Somehow we must encourage the governments to be more active in teaching their people about the problem.

Mr. Dillon said that our recently adopted economic programs were really a part of such an effort. He said that we now had a new approach in economic programs for Latin America and also through ICA programs which had been immensely stepped up.

The President said that he had a date with the President-elect on December 6. He knew that Mr. Dulles had briefed the President-elect on the covert planning. He intended to speak with Senator Kennedy and would hope that the response would be that he would follow the general line.

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Mr. Dillon then said as far as Cuba today is concerned the regime is actually going bankrupt. The USSR has pulled back some on offers of aid. This in the view of the State Department explains the recent Castro suggestions about hoping for better relations with the new Kennedy Administration.

Mr. Anderson pointed out that the fact of bankruptcy in Cuba would make it easier to get useful people to serve with expenditure of money. Also he said that he had heard a rumor, unconfirmed, that there is developing an epidemic of hoof and mouth disease which would enable us and indeed require us to look at the imports of food from Cuba. Mr. Dillon pointed out that we had done nothing about imports from Cuba except sugar.

The President said he wished to come back to the question of whether it would be useful to have an individual executive to pull the whole Cuban situation together who would know precisely at all times what State, CIA and the military were doing and who could answer questions directly should the President require them. He again wondered whether Mr. Pawley might be suitable for this undertaking.

Mr. Dulles said that some thought had been given to getting Walter Donnelly as an individual to deal with the FRD. This would mean higher level attention than the FRD was now getting.

The President said that he does not share the State Department concern about "shotting from the hip" as he thinks that we should be prepared to take more chances and being more aggressive.

Mr. Dillon said that he thinks there is some point in Mr. Pawley's view that the FRD may have been too far to the left and perhaps it should be broadened to include more conservatives.

The President then said that if the State Department has some sound person, he would like to have him find out from the governments what they will do. He said that Mr. Pawley plans to go himself notwithstanding.

Mr. Dillon then said that in the last month or two the State Department has become much more aggressive and is taking more chances. This was a reflection in the change of Assistant Secretaries for Latin America.

The President again came back to his feeling that we need someone who would go to see the FRD and the Latin American governments and who would keep in sufficient touch so that he would know what all are doing and keep all others informed.

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Mr. Bissell then said that they had heard about Frondizi's willingness to assist in a covert manner and that they were actually making a check this week.

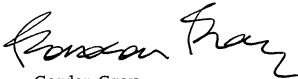
The President then said that Argentina and Colombia and possibly Chile ought to be interested in the training effort. If the men can be gotten to those countries and trained there and then assemble at some point for a week in advance of their use, this would be a substantial contribution.

The President again came back to the question of an individual who could (1) deal with the FRD, (2) come into the President's committee and deal with it as an equal as well as report to the President. (The President again said he liked Pawley for the job but knew that some felt that he was too impetuous.); (3) talk with Frondizi (Frondizi would have to know that the individual was someone who could in turn talk with the President of the United States); and, (4) pull things together. In other words, the President said he felt the need of a coordinating chief.

At this point Mr. Dulles suggested the name of Mr. Tracy Barnes for the undertaking. Mr. Dillon said that he would prefer that the group discuss a name and report back to the President and the President approved this course.

The President then said that it was certainly all right to give trainers and ammunition and planes as required to Ydigoras and to beef him up in any way we could and this might even be done overtly.

Finally, the President instructed Mr. Dulles to be in constant touch with Mr. Pawley. Also, he wanted a careful check on what the various countries would do and would want done.



Gordon Gray
Special Assistant to the President

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